

**SUPPORTING STATEMENT
FOR PAPERWORK REDUCTION ACT SUBMISSION
9000-0026, CHANGE ORDER ACCOUNTING**

A. Justification.

1. **Administrative requirements.** FAR Clause 52.243-6, Change Order Accounting, requires that, whenever the estimated cost of a change or series of related changes exceed \$100,000, the contracting officer may require the contractor to maintain separate accounts for each change or series of related changes. The account shall record all incurred segregable, direct costs (less allocable credits) of work, both changed and unchanged, allocable to the change. These accounts are to be maintained until the parties agree to an equitable adjustment for the changes or until the matter is conclusively disposed of under the Disputes clause. This requirement is necessary in order to be able to account properly for costs associated with changes in supply and research and development contracts that are technically complex and incur numerous changes.

2. **Uses of information.** The accounts to be maintained by the contractor are used to determine the equitable adjustments to the contract as a result of the Government-ordered changes.

3. **Consideration of information technology.** We use improved information technology to the maximum extent practicable. Where both the Government agency and contractors are capable of electronic interchange, the contractors may submit this information collection requirement electronically.

4. **Efforts to consult with persons outside the agency.** This requirement is being issued under the Federal Acquisition Regulation (FAR) which has been developed to standardize Federal procurement practices and eliminate unnecessary duplication.

5. **If the collection of information impacts small businesses or other entities, describe methods used to minimize burden.** Similar information is not already available to the contracting officer or buyer.

- 6. Describe consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently.** The burden applied to small businesses is the minimum consistent with applicable laws, Executive Orders, regulations, and prudent business practices.
- 7. Special circumstances or collection.** Collection of information on a basis other than solicitation-by-solicitation is not practical.
- 8. Efforts to consult with persons outside the agency.** Collection is consistent with guidelines in 5 CFR 1320.6.
- 9. Explanation of any decision to provide any payment or gift to respondents, other than reenumeration of contractors or guarantees.** Not applicable.
- 10. Describe assurance of confidentiality provided to respondents.** Under the procedures established for development of the FAR, agency and public comments were solicited and each comment addressed before finalization of the text. A notice published in the *Federal Register* at 74 FR 18718, April 24, 2009 made this requirement available to the public and requested comments. No comments were received.
- 11. Additional justification questions of a sensitive nature.** This information is disclosed only to the extent consistent with prudent business practices and current regulations. No sensitive questions are involved.
- 12 & 13. Estimated total annual public hour and cost burden.** Time required to read and prepare information is estimated at 5 minutes per submission.

Estimated respondents/yr.....	8,750
Responses annually.....	18
Total annual responses.....	157,500
Estimated hrs/response.....	.084
Estimated total burden/hrs.....	13,230
Benefits and Overhead.....	75%
Average wages/hr.....	\$24
Estimated cost to public (\$24 + 75% OH)...	0*
Public cost borne by Government (hrs x \$42/hr + 100% OH).....	\$555,660

14. **Estimated cost to the Government.** Time required for Governmentwide review is estimated at 30 minutes per contract.

Annual Reporting Burden and Cost

Reviewing time/hr.....	.5
Responses/yr.....	157,500
Review time/yr.....	78,750
Average Wages/hr.....	\$19
Average Wages/yr.....	\$1,496,250
Benefits and Overhead.....	100%
Total Government Cost.....	2,992,500

Time required for recordkeeping is estimated at 1.5 hours per respondent.

Estimated Respondents/yr.....	8,750
Estimated hrs/Responses.....	1.5
Total recordkeeping hours.....	13,125
Benefits and Overhead.....	75%
Average Wages/hr.....	\$15
Public cost borne by Government (hr x \$15/hr + 75% OH).....	\$344,531
* Cost borne by Government	
Total annual burden hours.....	26,355

15. **Explain reasons for program changes or adjustments reported in Item 13 or 14.** This submission requests an extension of OMB approval of an information collection requirement in the FAR. The information collection requirement in the FAR remains unchanged.

16. **Outline plans for published results of information collections.** Results will not be tabulated or published.

17. **Approval not to display expiration date.** Not applicable.

18. **Explanation of exception to certification statement.** Not applicable.

B. Collections of Information Employing Statistical Methods.

Statistical methods are not used in this information collection.

